

APPENDIX A

QUALITY ASSURANCE CHECKLIST
FOR INTERNAL REVIEW AND AUDIT COMPLIANCE PROGRAM

A. Objectives:

1. To determine that professional audits are being performed in accordance with prescribed procedures and that a quality product is produced in a timely manner.

2. To determine that the internal review program is adequate and responsive to the needs of the commander.

3. To ensure that audit recommendations provide feasible solutions to problems.

4. To determine that the IRAC Office has an effective tracking and follow-up program to identify noncompliance with agreed upon audit recommendations for command.

B. Evaluation Procedures:

YES NO

1. Organization, Staffing and Training.

- | | | |
|---|-----|-----|
| a. Does the IRAC Office report to the Commander or Principal Deputy Commander? | ___ | ___ |
| b. Does the IRAC Chief have direct communication with the commander or principal deputy commander on a regular basis? | ___ | ___ |
| c. Is current staff at authorized level and is the staffing sufficient to accomplish mission? | ___ | ___ |
| d. Is current staff all fully qualified 511 auditor personnel? | ___ | ___ |
| e. Does the mission and functions statement accurately define the responsibilities of the IRAC Office? | ___ | ___ |

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	YES	NO
f. Do the IRAC job descriptions accurately describe responsibilities of each position?	---	---
g. Does the job performance objectives/individual standards adequately address the significant duties and responsibilities of the position?	---	---
h. Is an Individual Development Plan (IDP) prepared for each auditor and are training records maintained documenting that continuing education requirements are being met?	---	---
i. Are the continuing education and training (CET) requirements being met for each two year period (89-90, 91-92, 93-94, etc.) i.e., 80 hours total with at least 20 hours each year and at least 24 hours in subjects related to the government environment and to government auditing?	---	---
j. Does the IRAC Office reflect a professional working environment in terms of appearance and atmosphere?	---	---
k. Is there any evidence of external or personal impairments to independence?	---	---
2. Annual Plan and Semi-Annual Updates.		
a. Is an annual plan with semi-annual updates prepared in accordance with prescribed procedures?	---	---
b. Are audit areas solicited annually by the Commander from the staff and requests prioritized for Commander consideration?	---	---
c. Has an auditable entity file been developed and kept current and is it being used?	---	---
d. Are high risk/high payoff areas being scheduled for audit?	---	---

- | | YES | NO |
|--|-------|-------|
| e. Is the annual plan well balanced with time being spent in both mission and support areas and cyclical/operating-type audits avoided? | _____ | _____ |
| f. Are other factors being considered in establishing audit priorities such as command emphasis/high visibility programs; reviews required by higher authority; newness or major changes in programs or systems; and material internal control weaknesses? | _____ | _____ |
| g. Does the annual plan contain realistic estimates of workdays required to accomplish the workload? | _____ | _____ |
| h. Is a schedule of "excess" or "unresourced" audits, listed in priority order, prepared and attached to the annual plan? | _____ | _____ |
| i. Is the annual plan discussed with and approved by the Commander; reviewed by the MSC IRAC Office, where applicable; and forwarded to HQUSACE? | _____ | _____ |
| j. Were significant variances between estimated and actual staff days adequately explained? | _____ | _____ |
| k. Were reviews scheduled but not performed in the prior year carried over to the current plan or an explanation provided for their exclusion? | _____ | _____ |
| 3. Audit Process. | | |
| a. Are audits being conducted in accordance with prescribed procedures as documented by working paper checklists? | _____ | _____ |
| b. Are in-process reviews performed to evaluate progress and quality of work at key milestone completion dates? | _____ | _____ |

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	YES	NO
c. Are the supervisory reviews documented and adequate?	_____	_____
d. Are overall audit times consistent with guidelines and time controls for the major audit segments and are the actual times versus the estimates documented?	_____	_____
4. Reporting Process.		
a. Do the reports contain all of the required elements and are they prepared in the proper format?	_____	_____
b. Do the reports contain sufficient background information to provide the reader with an adequate understanding of the audit entity, i.e., size, volume and nature of the operations reviewed?	_____	_____
c. Do the reports clearly show the objectives of the audit and the conclusion for each objective?	_____	_____
d. Does the scope and methodology paragraph show period covered by audit, when audit work was performed, extent of audit coverage, any scope limitations, and any departures from standards?	_____	_____
e. Does the scope and methodology paragraph clearly explain the techniques used to gather and analyze evidence, including methods used for selecting or analyzing samples where applicable?	_____	_____
f. Do the reports contain a statement that the audit was conducted in accordance with generally accepted government auditing standards?	_____	_____
g. Do the reports contain a discussion of the internal controls assessed and the material weaknesses noted, if any?	_____	_____

	YES	NO
h. Are repeat findings clearly identified and reported to the Commander?	_____	_____
i. Are potential monetary benefits being discussed in the report and, if so, are they reasonable and fully supported?	_____	_____
j. Do the reports present all major findings and recommendations contained in the working papers?	_____	_____
k. Are the findings and recommendations adequately supported by objective evidence in the working paper file?	_____	_____
l. Are the findings of noncompliance presented in proper perspective, i.e., extent of noncompliance to number of cases examined or universe?	_____	_____
m. Do the findings include condition, criteria, cause and effect (where applicable) and are these areas fully developed?	_____	_____
n. Are the recommendations realistic and sufficiently specific to correct the deficiencies noted and to avoid similar problems from occurring in the future?	_____	_____
o. Are written management comments requested and are they received in a timely manner?	_____	_____
p. Were the management comments responsive, i.e., did they include effective corrective actions with actual or target completion dates or reasons for non-concurrence with the recommendations?	_____	_____
q. Do the reports include management's position on each recommendation and the audit evaluation/rebuttal, if necessary?	_____	_____

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	YES	NO
r. Do the reports present information in a fair, convincing, objective and clear manner?	_____	_____
s. Are the reports free of grammatical errors or misspellings which detract from their quality?	_____	_____
t. Were reports issued in a timely manner?	_____	_____
u. Are nonconcurrency adjudicated by the Commander within six months of the date of the report?	_____	_____
v. Were copies of the final report submitted to appropriate officials?	_____	_____
5. Audit Liaison and Compliance.		
a. Does the IRAC office serve as the liaison with external audit agencies, e.g. GAO, IG DoD and USAAA?	_____	_____
b. Are the Commander, MSC Audit Office and HQUSACE Audit Office kept informed of all external audit visits?	_____	_____
c. Are replies to USAAA tentative findings and recommendations forwarded to USAAA within 30 calendar days?	_____	_____
d. Are command replies to USAAA reports reviewed by IRAC offices to ensure they are adequate and complete and forwarded thru channels in a timely manner?	_____	_____
6. Tracking and Follow-up System.		
a. Has a tracking system been established to monitor implementation of corrective actions until completed?	_____	_____

	YES	NO
b. Are quarterly reports provided to the Commander showing the status of unimplemented audit recommendations?	_____	_____
c. Does management provide written confirmation, with supporting documentation, when corrective actions have been completed?	_____	_____
d. Are on-site follow-up reviews performed for significant findings and recommendations?	_____	_____
e. Are the follow-up reviews timely and adequate to verify the effectiveness of corrective actions taken?	_____	_____
f. Do the working papers clearly document work performed and results and do they support the conclusions?	_____	_____
g. Are the follow-up reports (when required) prepared in the proper format and do they communicate the necessary information?	_____	_____
h. If the follow-up reviews show that corrective actions were inadequate, has the Commander directed the activities to take immediate corrective action on the unimplemented recommendations?	_____	_____
7. General.		
a. Are any operational-type duties being performed?	_____	_____
b. Are the auditors appointed to any boards or committees which could compromise their independence?	_____	_____
c. Is the pertinent internal review report information transmitted electronically to CEAO-I for entry into the IRAD system within 10 days?	_____	_____

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	YES	NO
d. Are the semi-annual reports prepared in a correct and timely reamer?	_____	_____
8. Division Staff Program Management (For CEOA Use).		
a. Are Division annual plans prepared and do they include scheduled quality assurance reviews of district IRAC offices?	_____	_____
b. Do Division audit offices review and critique District annual plans and provide feedback prior to submittal to HQUSACE?	_____	_____
c. Do Division audit offices conduct annual on-site quality assurance reviews of District IRAC offices and make interim visits as necessary to resolve problem areas?	_____	_____
d. Are the quality assurance reviews in sufficient depth, based upon the checklist in Appendix A of USACE Suppl 1 to AR 11-7, to detect deficiencies and provide guidance to improve operations?	_____	_____
e. Do the quality assurance reports contain the information prescribed in paragraph 1-4e(1)(b) of USACE Suppl 1 to AR 11-7 and are copies provided to CEOA?	_____	_____